

Health Insurance Work Group  
Thursday, April 17, 2008

**Attendees:**

Beth Anderson, Kelly Reynolds, Kris Carlson, Mary Anne Aaefdt, Lorna Palin, Dawna Brinkel, Terry Flamand, Hope Heavyrunner, Erin McGowan Fincham, Tom Osborn, Connie Leveque, Jan Paulsen, Kelly Williams, Allicyn Wilde, Ted Dick, Linda Pearson, Alan "Bubba" Alsup, Bruce Kramer, Katie Spaid, James Driggers, Abby Hulme.

**Timeline**

A handout of a projected timeline for the project was distributed and Abby walked the group members through the handout. A comment was made that the timeline needs to be updated to include a schedule for the Department to update rates (January 2009) and draft Administrative rules (October 2008).

The group also commented that the education process for agencies should start as soon as July. Agencies need to educate workers that health insurance is coming. The group suggested that a session at the CSB Conference focus on a basic overview of health insurance, such as Health Insurance 101. The group also commented that education should always let people know everything is subject to change.

Regarding the issue of reimbursement a suggestion was made to include reimbursement for 5% administrative cost. This administrative cost is what is charged when person moves to COBRA

**Worker Eligibility**

The group discussed the challenge of designating eligible workers for the purpose of receiving funds through the Department. The group emphasized that many of the workers work a combined number of Medicaid PAS, private pay, homemaker, etc. The group encouraged the Department to offer some flexibility when defining who is eligible. The Department will work on developing a clear definition of qualifying workers to present at the next meeting (note: this will not be the eligibility definition agencies come up with to determine worker eligibility for insurance coverage). A suggestion was made that a reasonable starting point would be 50% of a worker's time over the course of the month should be spent in Medicaid PAS.

In Washington State the Department provides reimbursement for up to two-months after a worker becomes ineligible for insurance. If a worker is not eligible after one month they send a notice to workers. It is an option of the agency to take an ineligible worker off prior to the two month grace period.

## **Reimbursement**

Abby and Kelly provided an overview of two possible reimbursement methodologies. A question was raised as to whether agencies could cash flow insurance premiums on the start-up side since the funding would not be available until January 2009. The consensus was that insurance carriers should be flexible to allow for payment within the month insurance begins.

Questions were raised about fluctuation in the number of covered members from month to month and how repayment would be made to the Department. The group left it up to the Department to determine the most effective reimbursement methodology and believe it should take into consideration the fluctuating circumstances of the workforce.

## **Benchmarks**

Members went around the room and shared whether or not they could find a plan that met the proposed benchmarks and costs for reimbursement. Many in the room had plans that met the benchmarks, but the plans cost more than \$450/month and/or did not include dental. The cost of the plans that were discussed varied substantially, from \$425-\$680/month. Most agencies found plans that cost over \$500/month. A large contributing factor to cost was the age and health history of the group of workers.

One factor that the group discovered was the fact that adding dental and prescription meant a substantial increase in plan cost. The group discussed the benefit and cost of coverage in these areas. The group discussed the different approaches to offering prescription coverage and felt that it should be included in the benchmarks. For dental coverage, however, the group felt that it should not be a benchmark since the cost may prohibit some agencies from participating in the coverage.

Many members of the group offer Health Savings Accounts (HSA) and the group encouraged the state to include benchmark criteria that would be inclusive of this insurance option. Bubba agreed to send Abby information on HSA and the Department will look into expanding benchmarks to be inclusive of the HSA criteria.

One agency member shared that they would not be able to participate in the health insurance funding because the funding they would receive would not cover the cost to the agency to insure all eligible workers.

Another agency discovered that while their current plan met the benchmarks, the plan cost once they enrolled the new workers would increase 15-20% because of the different age of the workers.

## **Next Meeting**

The group discussed the importance of sharing information with all of the PAS and PDN providers. The next meeting will be extended to all Medicaid PAS and PDN providers. The group also would like to have representatives from labor and insurance available to answer questions. Abby will get an email out to the group with information on the next

meeting. She encouraged the group to send her follow-up questions for human resource and labor experts prior to their participation in a meeting.